

UNCLASSIFIED

Iraq

Status Report

February 17, 2010



Bureau of Near Eastern Affairs
U.S. Department of State

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HIGHLIGHTS



- IHEC Confirms Candidate Ban (*POLITICAL*, page 4)
- U.S. Troops in Iraq are at the Lowest Level Since 2003 (*SECURITY*, page 9)
- Analysts Skeptical of Iraq's Projected Oil Production Capabilities (*ECONOMIC*, page 11)
- KRG PM Salih Visits UAE (*DIPLOMATIC*, page 16)

POLITICAL - Governance & Legislation

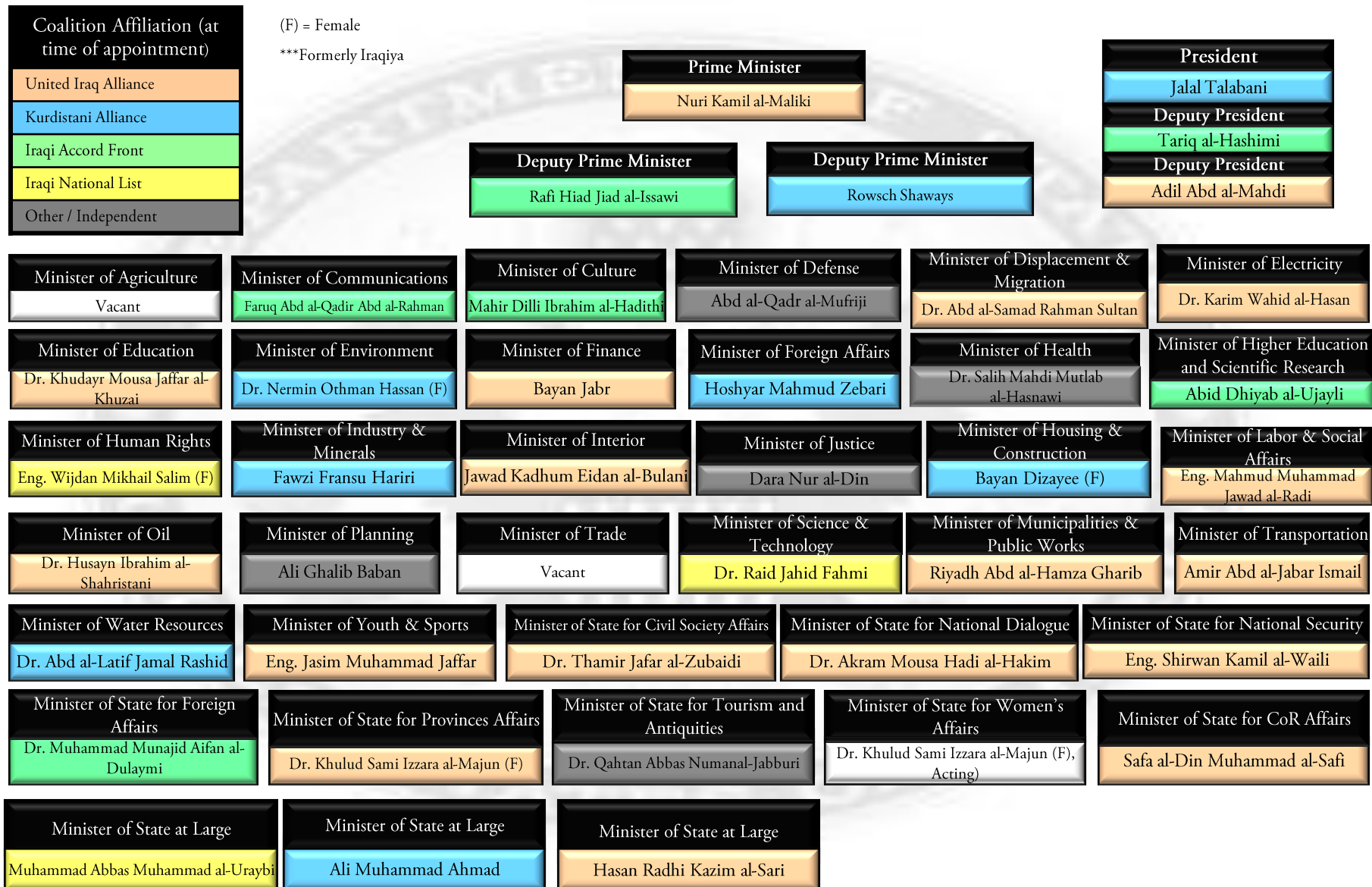


IHEC confirms candidate ban as GOI prepares for parliamentary elections

IHEC Confirms Candidate Ban:

- Iraq's Independent High Electoral Commission (IHEC) announced that the agency had received a formal notification from an appeals panel that a small number of the appeals by candidates banned from next month's elections had been successful.

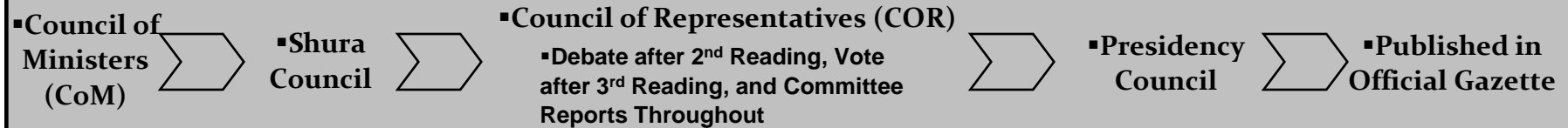
POLITICAL – Government of Iraq





POLITICAL – Key Legislative Issues

Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- **National Elections Law:** The amended election law was approved by the Presidency Council on December 6.

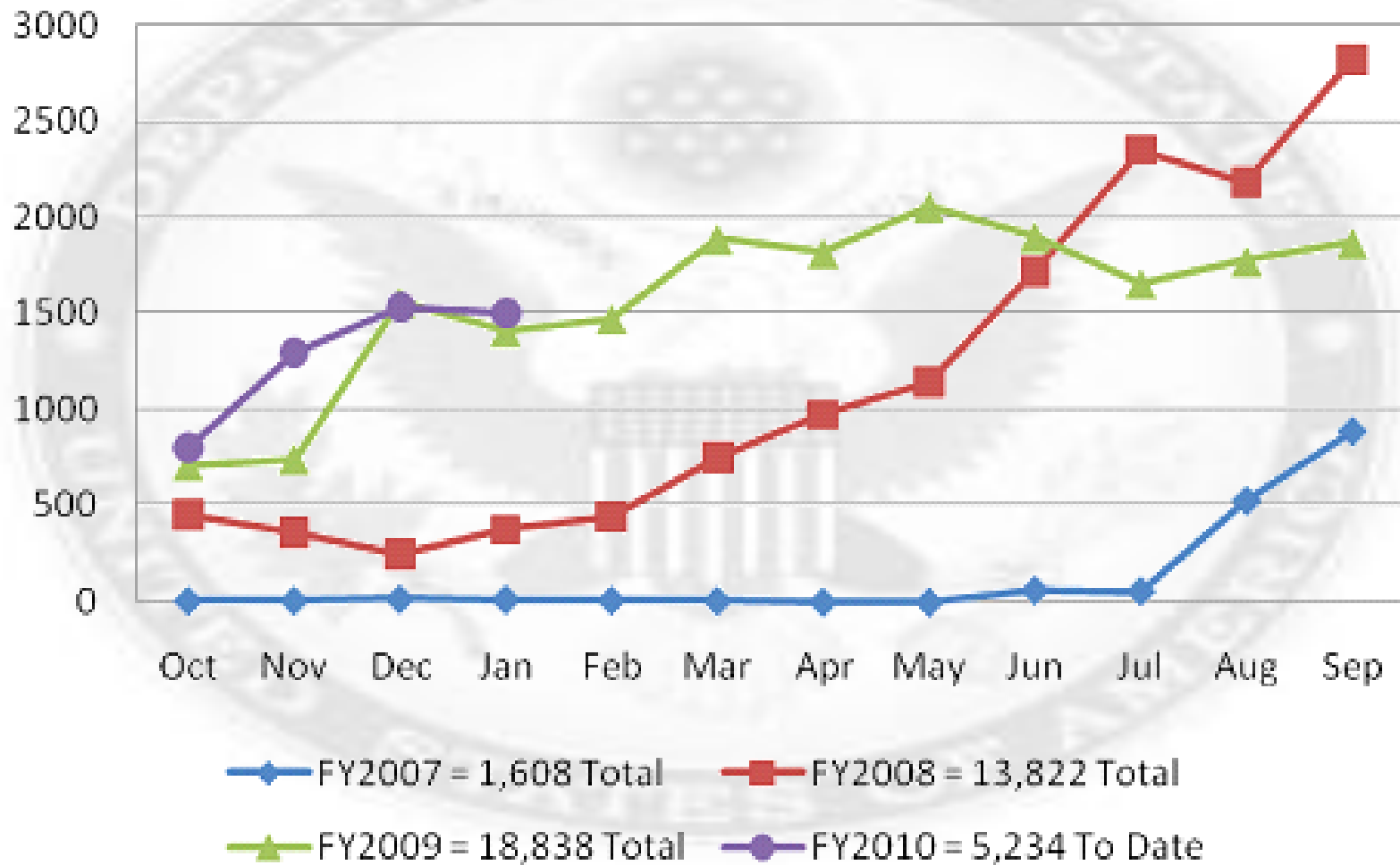
POLITICAL - Refugee Update



- There are approximately 295,000 Iraqi refugees currently registered with UNHCR in neighboring countries. There are likely significant numbers of unregistered refugees as well. UNHCR reports that 1.5 million Iraqis displaced by sectarian violence following the Samarra Mosque bombing of February 2006 remain internally displaced in Iraq.
- In FY09, the State Department's Bureau of Population, Refugees and Migration contributed \$ 303.4 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.
- Since the program's inception in FY07, 40,262 Iraqi refugees have been admitted for U.S. resettlement, an increase of 348 from last week. The U.S. admitted 18,838 Iraqi refugees in FY09.
- As of September 2009, a total of 1,606 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters (and their dependents) since FY07 (under the Section 1059 program).
- As of September 2009, a total of 3,028 SIVs have been issued for Iraqis employed by or on behalf of the U.S. government (and their dependents) since FY08 (under the Section 1244 program).
- Secretary of State Hillary Clinton announced July 24 that the United States was contributing more than \$100 million in new assistance to support the return and reintegration of displaced Iraqis.

POLITICAL - Refugee Update

Iraqi Admissions to the U.S.



SECURITY – Situation Update



GOI continues efforts to combat attacks in advance of national elections amidst declining U.S. Forces

U.S. Troops in Iraq are at the Lowest Level Since 2003:

- The U.S. military told reporters on February 16 that troop numbers have dipped below 100,000 boots on the ground. The troop numbers will remain at current levels, roughly 98,000, through the March elections, said 1st Lieutenant Elizabeth Feste, an army spokeswoman in Baghdad. "The withdrawal pace remains on target for about 50,000 at the end of August 2010," Feste said. A senior U.S. military official stated that he anticipated the number of forces in Iraq would be whittled down to between 20,000 and 30,000 by 2011, and that those remaining forces should be out by the end of that year.

Multiple Baghdad Bombings near Prominent Candidate Headquarters:

- Officials from the Ministry of Interior reported that the multiple bombings which occurred on February 13 had wounded seven people. One bomb exploded in front of the headquarters for Sunni Muslim politician Saleh al-Mutlaq, co-founder of the Iraqiya election list. A second bomb was thrown into a garden where Sunni political candidates and scholars congregate. A third bomb damaged the headquarters of the United Iraqi List in east Baghdad. A fourth bomb struck the headquarters of the Moderate Movement List in Karrada in east Baghdad, and a fifth bomb struck a building used by an election-list group led by Nehru Abdulkarim al-Keznazani.

ECONOMIC – Oil



Crude Oil Update:

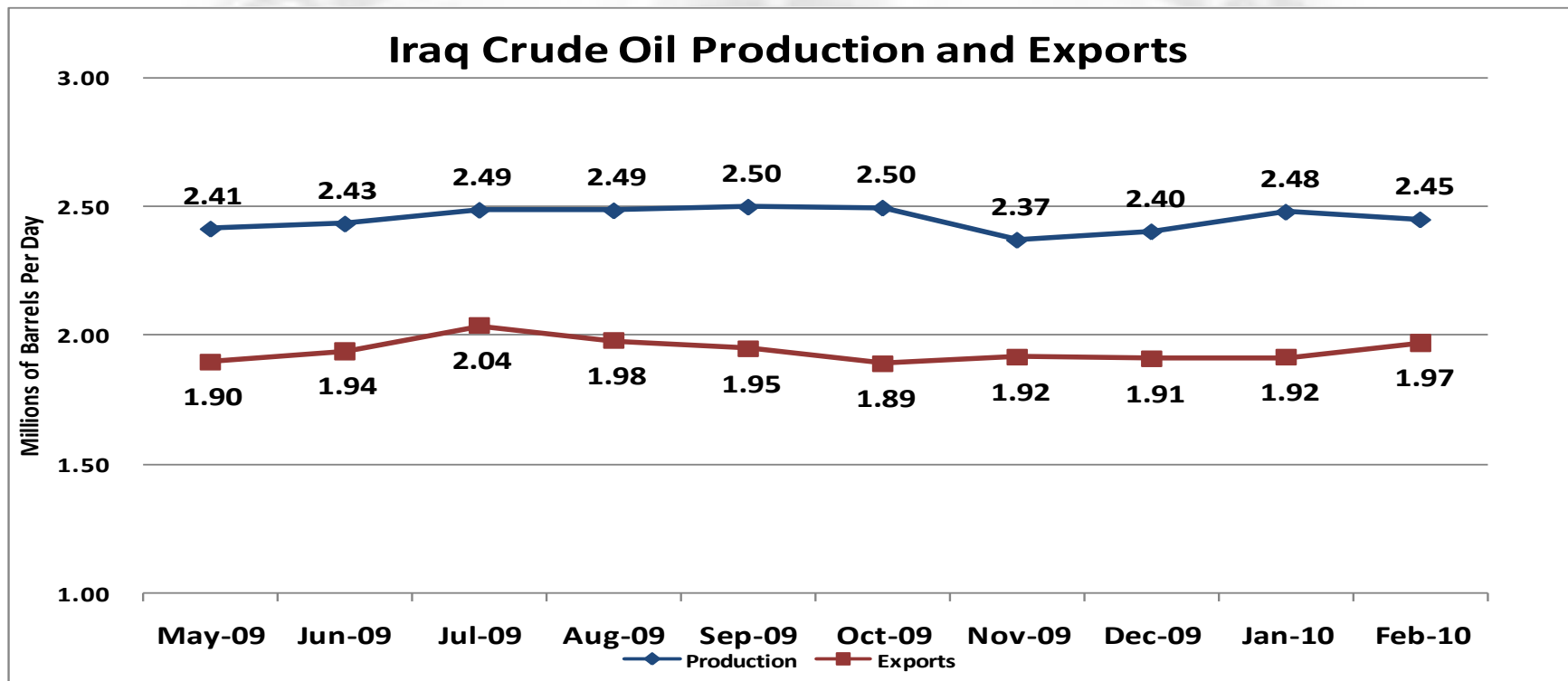
Price averages in world markets closed with the following prices:

Basrah Light at \$69.69/barrel

Dated Brent at \$71.90/barrel

WTI Cushing at \$73.91/barrel

Oman/Dubai at \$71.13/barrel



Revenue estimates:

2008: \$61.9 Billion

2009: \$ 39.2 Billion

2010 (ytd): \$3.7 Billion

*Approximate estimate.

ECONOMIC – Oil/Gas



Experts at International Petroleum Week conference discuss Iraq's potential impact on energy markets

Analysts Skeptical of Iraq's Projected Oil Production Capabilities:

- Energy analysts at the International Petroleum Week conference in London noted that Iraq's increased oil production capabilities would undoubtedly impact the energy market, but were skeptical of "the target to raise output from the current 2.5 million barrels per day to more than 12 million in around six years" due to underdeveloped infrastructure and export path insecurity.

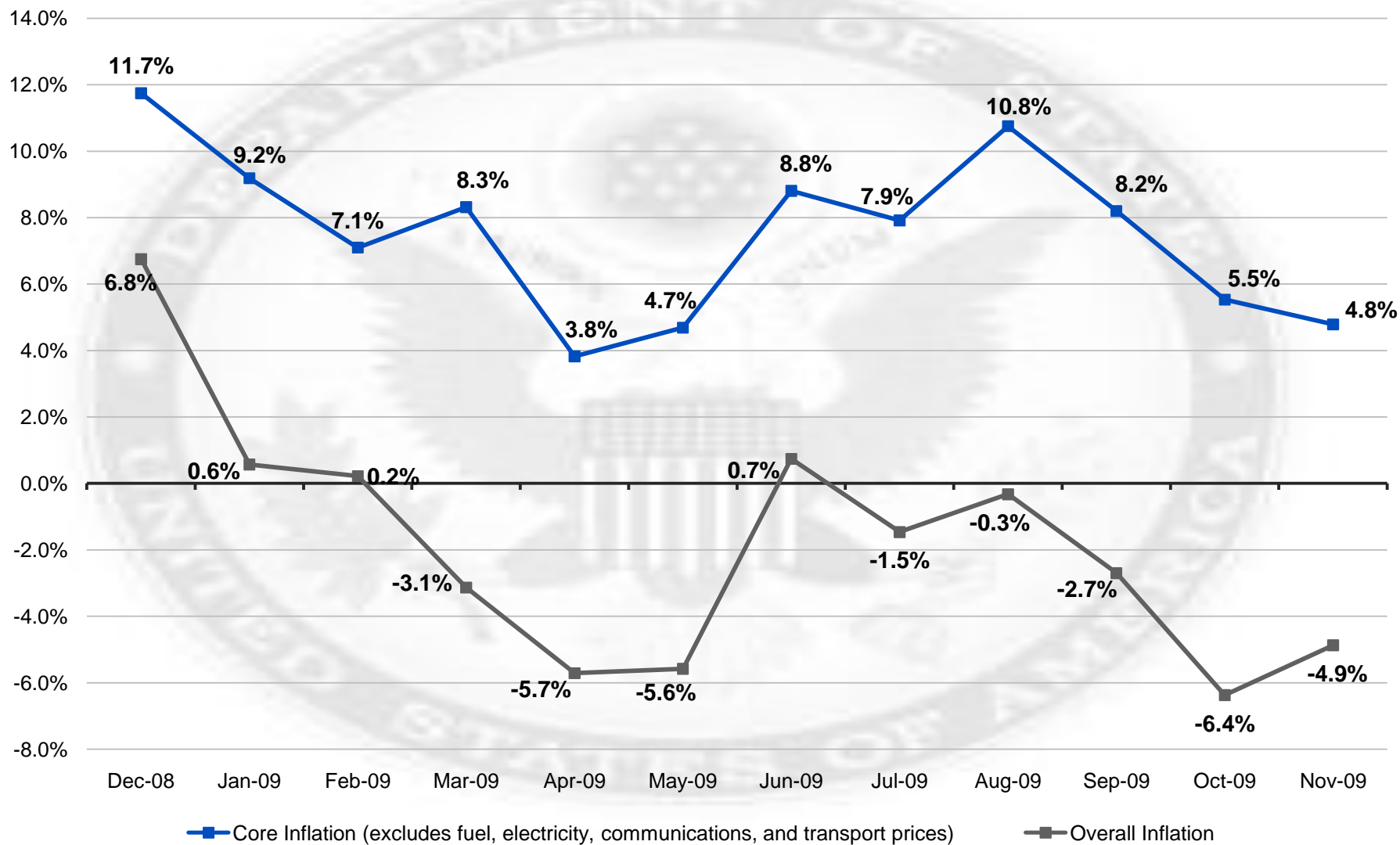
Iraqi Gas Exports through Nabucco Pipeline Would Diversify European Energy Markets:

- If internal political disputes are settled between Baghdad and Erbil, Iraqi gas exports via the Nabucco gas pipeline could "redefine the world energy market," analysts say. The pipeline would enable Iraq to transport "non-Russian gas to Europe along a route that avoids politically sensitive territory in Ukraine," stabilizing Europe's energy sector.

ECONOMIC - Fiscal and Monetary Affairs



Year-on-Year Inflation



ECONOMIC – Fiscal and Monetary Affairs



Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$64.91	\$79.31	\$76.56	\$64.50
Yield	8%	8%	8.36%	10.32%

ECONOMIC – Non-Energy



Rejuvenation of historic railway will encourage economic and social ties with Turkey

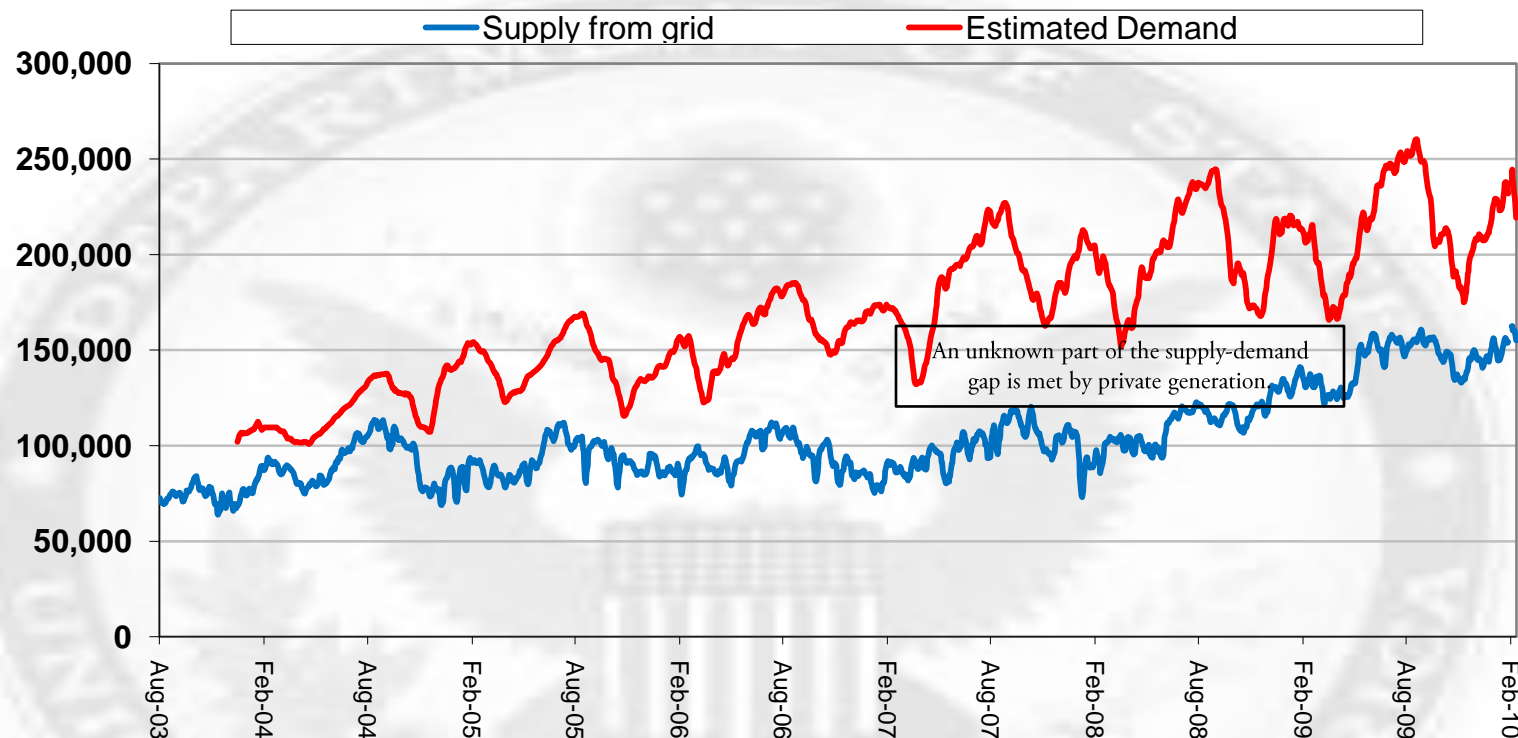
Turkey-Iraq Railway Begins to Operate:

- A rail link connecting Iraq and Turkey re-opened after conflicts in Iraq prevented regular service between the countries since the 1980s. The historic rail link will facilitate trade between neighboring countries.

Public Services – Electricity



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Electricity supply from the grid 10-16 was 14% above the same period in 2009 and met 71% of estimated demand, compared with 64% for the year-earlier period.
- For January, supply was 89% above 2007. The large increase reflects the combined effect of greater overall supply and a smaller relative decline in supply for the winter off-peak period.

DIPLOMATIC – Political Engagement



UAE seeks to strengthen ties with Iraq

KRG PM Salih Visits UAE:

- **KRG Prime Minister Barham Salih visited the UAE to discuss strengthening political and economic cooperation with Foreign Minister Sheikh Abdullah Bin Zayid Al Nahyan. According to a statement published by the KRG, FM Nahyan stressed his country's willingness to develop its relations with Iraq and the Kurdish region.**

Beyond Baghdad



“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

President Barack Obama

Women in Basrah province meet with PRT members to learn about economic opportunities and the micro-grant process

Basrah

Salah ad Din

Recent Highlights

PRT Basrah recently co-sponsored a women's conference titled “Iraqi Women after 2003: Between Real Situation and Ambition.” The PRT worked alongside the Basrah Provincial Council and the Al Manahil Women's Cultural Association to provide a forum in which women's issues could be discussed by prominent political and academic figures. During the conference scholars and Provincial Council members provided a series of four presentations covering various subjects related to women. Presentation topics included: the rights Iraqi women have gained since 2003, Basrah's current educational status in relation to women, the present economic situation of Iraqi women, and a briefing entitled “Untraditional Women's Problems in Extremist Environments.”

On February 8, PRT Salah ad Din took part in a groundbreaking ceremony to celebrate the beginning of a road project that will connect the village of Tulul el Baq, with a population of 10-15 thousand inhabitants, to the town of Sharqat which has 50-60 thousand residents. The road, which is being funded by U.S. forces in conjunction with the Government of Iraq, will be built by local Iraqis and is expected to boost both short and long-term employment in the region. The impact of this road goes beyond economic improvements as it will also unite residents from both villages and enhance transportation as well as communication between the two communities.



CONTACT INFORMATION

This brief draws from multiple sources. References are cited on the following pages.

For additional information, please see:

- Department of State, Section 2207 Report on Iraq Relief and Reconstruction
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of State, Section 1227 Report on Iraq
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq
http://www.defenselink.mil/home/features/Iraq_Reports/index.html

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



NOTES AND SOURCE CITATIONS (1 of 2)

Slide 4:

- Reuters, February 13, <http://www.washingtonpost.com/wp-dyn/content/article/2010/02/13/AR2010021301005.html>

Slide 5-8:

- Department of State, NEA Political Section, NEA-I-POL-DL@state.gov

Slide 9:

- AP, February 16, http://www.google.com/hostednews/ap/article/ALeqM5hwK_CSxBxsNuVUEaDuOwmSSCiqGwD9DTDLUO0
- Washington Post, February 13, <http://www.washingtonpost.com/wp-dyn/content/article/2010/02/13/AR2010021302582.html>

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- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

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- AP, February 16, 2010, http://hosted.ap.org/dynamic/stories/E/EU_BRITAIN_OIL_IRAQ?SITE=AP&SECTION=HOME&TEMPLATE=DEFAULT&CTI=ME=2010-02-16-08-23-26
- UPI, February 16, 2010, http://www.upi.com/Science_News/Resource-Wars/2010/02/16/Iraq-could-revolutionize-Nabucco/UPI-97501266334143/

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- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov



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Slide 13:

- Department of State, NEA/I Iraq Policy and Operations Group, NEA-I-IPOG-DL@state.gov

Slide 14:

- BBC, February 16, 2010, http://news.bbc.co.uk/2/hi/middle_east/851810

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- Department of State, NEA/I Iraq Policy and Operations Group, NEA-I-IPOG-DL@state.gov

Slide 16:

- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Slide 17:

- Aswat al-Iraq, February 16, <http://en.aswataliraq.info/?p=127096>